

BPOs and when it is against the law to perform

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There have been a number of inquiries concerning solicitations from out-of-state companies who are asking Realtors® to perform, in their words, a "broker price opinion."

If you read the fine print on the form they insist you use, you will see the words "appraisal" and/or "for refinance." You may be attracted to this type of opportunity but you must be aware that this practice is considered a misdemeanor in the state of Arkansas. Note Arkansas Code Annotated §17-14-303. Unlicensed persons - Federally and nonfederally related transactions:

(a) *It shall be a misdemeanor for any person who is not licensed or certified pursuant to this chapter to perform appraisal services as defined in this chapter in connection with a federally related transaction.*
(b) *An appraiser who does not hold an appraiser's classification that permits the performance of a particular appraisal assignment for use in federally related transactions must include in such an appraisal report a statement that the appraisal may not be eligible for use in a federally related transaction.*

The statute also spells out what you can do in the following:

(a)(1) This chapter shall not apply to a real estate broker or sales person licensed by this state who:

(A) In the ordinary course of his or her business, gives to a potential seller or third party a market analysis or broker's price opinion as to the recommended listing price of real estate or an opinion to a potential purchaser or third party as to the recommended price of real estate; or

(2)(A) The listing price, purchase



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price, market analysis, or broker's price opinion may be treated as an appraisal solely for the purposes of § 28-51-302. (Probate Court for estates only)

Now if you are found to be guilty of performing appraisals, you will be subject to the following: §17-14-308. Violation of law - Civil penalties, injunctions, venue.

(a)(1) It is unlawful for any person not registered, licensed, or certified under this chapter to perform any act for which registration, licensure, or certification is required.

(2) Any person acting as an appraiser within the meaning of this chapter without an appraiser classification and any person who violates any other provision of this chapter shall be guilty of a misdemeanor.

Now, let us be very specific. The firms from out-of-state may be shell companies for well known lenders who advertise a great deal on television.

What you cannot do:

Perform any kind of value estimation for any entity who appears to be in the finance or refinance business.

Perform services for any company

who will not let you specifically, directly on the form, write "THIS IS NOT AN APPRAISAL."

Perform services for any company who has pre-printed forms for the BPO which, normally in small print, uses the words "appraisal" or "finance" or any word which relates to "finance."

What can you do:

Probate Estate Appraisals in the State of Arkansas.

A BPO or CMA for an owner of a property for the purposes of listing and selling a property, either buyer of seller.

A BPO or CMA for a third party relocation company where you stand a chance to list the property being sure the seller won't turn it over for refinance of their property (use "THIS IS NOT AN APPRAISAL" on the form).

Other than above, as a licensed real estate broker/agent, you can render your opinion of value which is ordered by a Court of Law.

The money may look good today but a Misdemeanor follows you for life. 